# Do strategic partnerships create value?
# "The empirical case of SBF 250 firms"

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**Abstract**

Strategic partnerships are theoretically now considered as real levers of value creation. This value creation takes different forms[1]. The objective of our research, after analyzing the results of empirical works focused on the acquisitions announcements impact on the stock market performance and also their actual value creation in the long-term, is to check if strategic partnerships create market value and the actual value. Our final results show that in the short term the announcement of a strategic partnership has a negative impact on performance as opposed to the announcement of a merger-acquisition, while other hand on the long-term, there is no positive impact (neutral impact) of strategic partnerships on financial performance. We explain this result by the phenomenon of "creation of compensatory value" in the context of a strategic and financial plan

**Keywords**

Strategic partnerships, market value, compensatory value

[1] This value creation takes different forms, essentially strategic value, substantial value, institutional value and financial value (including shareholders).

## Introduction

Since the 1980s, regardless of their size or their business sectors, companies grow increasingly by acquisitions, mainly by strategic partnerships (PS) (Paturel, 1990). These have multiplied to the point of looking like a fairly common form in strategic business options. This trend is explained by several reasons relating to the intentions of stakeholders concerned whether, as noted by some authors, to financial motivations of shareholders, substantial or institutional (Aliouat and Taghzouti 2009).

(Jacquot and Koehl, 1998) have made the same goals and motivations in the case of cooperation in general. For both authors, the motivations are often provided by environmental explanations (increased competition, market globalization, technological change, internationalization of markets, etc..), economic interpretations (economic and organizational efficiency) or cultural interpretations and cognitive (socio-cultural factors, plans of interpretation of the actors, vision, ...).

Today, with the new economic situation and the multiplication of financial crises, external growth strategies including strategic partnerships[2] and mergers and acquisitions[3] have become two of the most appropriate ways to deal with any internal or external crisis but also to cope with intense competition, integrate a new market, reduce or minimize costs, maximize profits, a complete range, expand into new markets, acquire technology or know-how to obtain scarce resources, maintain certain resources, innovation, etc.. (Jacquot and Koehl, 1998). In short, preservation strategies, capture, creation or production of the current or new value according to (Paturel, 2011).

[2] The success of a partnership based on respect for different steps (Wahyuni, Ghauri, Karsten, 2007)

[3] Despite the crisis of 2007, the same year the number of M & A has peaked and it is from these data that one can reasonably conclude that the F & A may be responses to address a crisis or rather an opportunity intended to benefit fragile business targets. According to final figures provider Thomson Financial data published Thursday, January 3, 2008.

However, with financial globalization, firms are more focused on shareholder wealth, while the latter have experienced strong growth in liquidity and increase profits. This is why practitioners and researchers interested more in this area.

The search for the maximization of shareholder wealth which is central focus of this competition to the large size as specified (Albouy, 2006) In his article, Theory, Applications and limitations of measuring value creation: "not very long ago, the main objective was racing for turnover, critical size, market share, even in annual net profit. (…).The creation of shareholder value would not be a fashion or a matter of communication as many subjects of management? ".

## 1. Literature review on strategic partnerships

The analysis of work on the subject of our research enabled us to notice a real dissonance between the results of previous work. Especially with those who argue for the creation of real financial value, and those who advocate for the perception of value.

Our research focuses on measuring the creation of financial value and shareholder value even though some authors as (Pesqueux, 1990), (Hoareau and Teller, 2001) and (Caby Hyrigoyen, 2001) consider that the accounting and financial information is based on utilitarian references that emphasize market values at the expense of existential values (partnership values).

But despite these criticisms on quantitative criteria of performance measurement, we must not forget that the survival of a company can only be a consequence of the financial results effectively measured, that is (Gilbert & al., 2004) affirmed.

So this is what motivated us to focus more on studies carried out on the measurement of value creation on quantitative criteria, but after examining them, we have noticed that there are few studies which were conducted on the actual financial performance of external growth strategy, including strategic alliances and also few comparative studies on these two types of acquisitions where the primary focus of our research which contributes to a better understanding of questions concerning the motivations to conclude strategic alliances and mergers and acquisitions, and to conduct a comparative study.

The results so far are controversial and uncertain, therefore, the interest in identifying the nature of the impact of strategic alliances and mergers and acquisitions on the financial performance where the second interest is to measure the impact strategic alliances and mergers and acquisitions on financial performance (reduced to the creation of financial value).

The choice of this thesis is not a coincidence, but rather a motivation to answer questions of (Aliouat, 1996). Aliouat, after analyzing the results of empirical studies on the impact of acquisitions announcements on market value where he has seen the impact was positive, made the following two questions:

- For a more or less distant horizon, would the market performance of acquisitions coincide with the actual performance?
- Does the confirmation of hypotheses formulated and verified by the authors remain valid for the case of alliances?

Hence the formulation of the following problem:

What is the impact of a strategic partnership on the financial performance of the company?

The answer to this problem requires the response to the two following research questions:

- Does the announcement of a strategic partnership have an impact on the market valuation?
- Does the conclusion of a strategic partnership have an impact on the real financial value in the long term?

## 1.1. Theoretical framework

To answer our two research questions we absolutely must refer to some particular theoretical current, the theory of market efficiency, the agency theory, the theory of transaction costs and the theory of resources.

We have formulated 1 hypothesis on the impact of the announcement on the stock market valuation from the theory of market efficiency (Fama, 1965) and agency theory (Jensen and Ruback effect, 1983). And for H2 to H6 assumptions based on the theory of transaction costs (Coase, 1937, Williamson, 1985) and the theory of resources (RBV) (Penrose, 1959); (Wernerfelt, 1984) and (Barney, 1991). These two theoretical currents meet competitive strategy described by (Batsch, 1999).

## 1.2. Previous empirical work

Given that there is little practically few research on the financial performance of strategic partnerships, our research builds on previous studies including strategic alliances and mergers and acquisitions that show positive and negative effects.

Regarding work on the market performance, in the case of M & A either in France or beyond, we notice a positive impact in contrast to strategic alliances. For work on actual financial performance, the results are rather mixed either for Strategic Alliances (SA) or Mergers and Acquisitions (M & A).

The following tables list the main previous research:

| Results | References on the market performance |
|---|---|
| **Mergers and Acquisitions (M & A)**<br>Positif impact | In France: (Saci, 2013) ; (Hubler and Meschi, 2000)<br>Anglo-xaxons works : (Dodd, 1980) ; (Travlos, 1987) ; (Huang and Walkling, 1987) ; (Doukas and Travlos, 1988); (Jennings and Mazzeo, 1991) ; (Markides and Oyon, 1998) |
| **Strategic Alliances (SA)**<br>Negative impact or neutral | In France: (Saci, 2013) ; (Hubler and Meschi, 2000)<br>Anglo-xaxons works : (Mac Connel and Nontell, 1985) ; (Finnerty and All, 1986) ; (Lee and Wyatt, 1990); (Koh and Venkatramen, 1991) ; (Reuer and Miller, 1997) ; (Jacquot and Koehl, 1998) ; (Das and al, 1998) |

| Results | References on the actual financial performance |
|---|---|
| **Mergers and Acquisitions (M & A)**<br>**Mixed results** | (Saci, 2013) ; (Paik, 2005); (Camerlynck Ooghe and De Langhe, 2005); (Yook, 2004); (Park, 2003); (Silhan and Howard, 1986) ; (Perdreau, 1998); (Harrison and al., 1991); |
| **Strategic Alliances (SA)**<br>**Mixed results** | (Saci, 2013) ; (Paik, 2005); (Combs and Ketchen, 1999) ; (Lorenzoni and Lipparini, 1999) ; (Reuer and Miller, 1997) ; (Deeds and Hill, 1996) ; (Park, 1997); (Baum and al., 2000) ; (Park and Dong-Sung, 1997) |

## 1.3. Research model, assumptions and definition of variables

### 1.3.1. Research model

We adopt the following model:

*Financial Performance = creation of financial value = constant + variable Strategic Partnership (PS) + control variables*

Hence the following linear regression for the Strategic Partnership (PS):

$$PF_{it} = \beta_0 + \beta_1 * APSP + \beta_2 * OpPrMargin + \beta_3 * CostGS + \beta_4 * Fsales + \beta_5 * Sales + \beta_6 \, Fsales\_Sales + \beta_7 \, NPART + \beta_8 N + \beta_9 S + \varepsilon.$$

Therefore, these findings led to the following hypothesis.

### 1.3.2. Assumptions or hypothesis

*H1: There is a positive relationship between the announcement effect of a strategic partnership and market value.*

*H2: The increase in the margin on operating income has a positive impact on financial performance in a strategic partnership.*

*H3: The increase in turnover realized abroad has a positive impact on financial performance in a strategic partnership.*

*H4: The increase in annual sales (turnover) has a positive impact on financial performance in a strategic partnership.*

*H5: Increased variation sales abroad to total sales has a positive impact on financial performance in a strategic partnership.*

*H6: The increase in the number of employees has a negative impact on financial performance in a strategic partnership.*

### 1.3.3. Definition of variables

The choice of variables is done referring to the work of some authors as (Saci, 2013) and (Meschi and Hubler, 2000) to measure the market performance where they chose the RAM as dependent variable and the presence / absence as explanatory variable and the research work of (Saci, 2013) who has chosen ROA, ROE, PBR as dependent variable and the operating profit margin on the sales realized abroad, the change in turnover realized abroad as compared to total turnover and number of employees as explanatory variables and the work of (Harrison and al., 1991) where they chose ROA as dependent variable and capital, debt, the intensity of research and development and general and administrative expenses of sale, as explanatory variable.

| Dependent variables | Explanatory variables | Control variables |
|---|---|---|
| - **AR**: abnormal return<br>- **CAR**: cumulative abnormal return<br>- **AAR**: average abnormal return (test de Student)<br>- **ACAR**: average cumulative abnormal return<br>- **ROA**: return on asset<br>- **ROE**: return on equity<br>- **PBR** : Price to book ratio | - **APPS:** absence/presence of SP<br>- **OPPRMAR :** Operating Profit Margin<br>- **CostGS:** Cost Of Goods Sold<br>- **Fsales :** Foreign Sales<br>- **Sales**<br>- **Variation** Fsales/Sales<br>- **N :** number of employees | - **S :** sectors<br>- **NPART** : number of partners |

## 2. Sample and research methodology

### 2.1. Construction of the sample, data selection and descriptive statistics

In the case of our study, we have used accounting and financial data (secondary data), including Thomson One Banker, Datastream, Diane; reference documents of companies (published and updated on the website of the Autorité des marchés financiers (AMF)); the companies' annual reports (available on their website); economic and trade press (including "les Echos" years between 1997 and 2011, Boursier.com, Capital.fr, Usine Nouvelle, Expansion, Le Figaro, the Point.fr ...), websites (via Google).

We have also used our personal network and that of the laboratory. In this respect, we contacted several researchers and specialists.

We have established a sample of 48 strategic partnerships selected from the SBF 250 French companies (on Euronext Paris) and we used historical market and financial data between 1997 and 2012. For our study is made on a longitudinal period of seven (07) years, three (03) years before the strategic partnership, the year of the strategic partnership and three (03) years after the strategic partnership, (Cornett and Tehranian, 1992).

**Descriptive statistics**

Ranking of strategic partnerships (SP) according to current nomenclature of NYSE Euronext Paris:

**Table 1:** Summary of belonging PS nomenclature according to NYSE Euronext Paris

(Source: the author)

| Type of market | Number of strategic partnerships (SP) | % |
|---|---|---|
| CAC 40 | 24 | 50% |
| CAC Next 20 | 6 | 13% |
| CAC Mid 100 | 12 | 25% |
| CAC Small 90 | 6 | 13% |
| TOTAL | 48 | 100% |

**Table 2:** Number of PS operations by business segment (sectors)

| Code | Sector | Number PS | % | Amount turnover in M € | % |
|---|---|---|---|---|---|
| 1 | Automobile | 2 | 4% | 483,403163 | 2% |
| 2 | Pharmaceutical and | 1 | 2% | 2332,62614 | 8% |
| 3 | Aerospace end transport | 5 | 10% | 1560,18239 | 5% |
| 4 | Telecom, Internet, Electronics, IT and services | 17 | 35% | 5882,51112 | 19% |
| 5 | Banking and insurance | 6 | 13% | 16345,2892 | 53% |
| 6 | Energy and construction | 3 | 6% | 2446,81391 | 8% |
| 7 | Tourism | 3 | 6% | 976,602792 | 3% |
| 8 | Distribution et Industry | 11 | 23% | 959,124617 | 3% |
| | TOTAL | 48 | 100% | 30986,5533 | 100% |

It is very important to analyze accounting data and financial ratios before to calculating their variation. This allows us to have an overview of the characteristics of our sample noting that ROA, ROE and PBR variables are in percent (%), variables, OPPRMAR, COSTGS, FSALES, SALES are in millions of euros (€) FSALES_SALES as coefficient and N is the number of employees.

## 2.2. Methodology and data analysis

To answer to our problem, our choice is based on epistemological positivism based on a quantitative approach by adopting a hypothetical-deductive approach (assumptions, tests).

To analyze the data, we used the *Student*[4] test for the study of events and tests on panel data estimation on STATA and RATS.

In our work, the study of the measure of value creation relates only to the extent of creating financial value. We then propose the results of the correlation study and those of the three regressions models developed for measuring the creation of real value.

[4] The *Student* test was performed on the results calculated using the market model

In order to have a solid basis for our analysis, we referred to earlier work (Saci, 2013); (Barber and Lyon, 1997) and (Meschi and Hubler, 2000) for measuring the market value creation and work of (Saci, 2013); (Park, 2003); (Yook, 2004); (Harrison and al., 1991); (Camerlynck Ooghe and De Langhe, 2005), and the use of databases DATASTREAM, Thomson One Banker and Diane to collect as much data about the companies in our sample. Triangulation of methods allows the confirmation of the empirical contribution of our thesis.

Using the method of event study and regression method for estimating panel data, analyzing different data highlights this triangulation methods.

These different ways of triangulation, namely theoretical triangulation, triangulation of data sources and triangulation methods allow to increase the validity and reliability of the analysis (Miles and Huberman, 2003). They are intended to ensure a better quality of analysis by crossing data and studies.

### 2.2.1. Correlation tests

Table 3 shows the pairwise correlations of the variables in our study. These measures show the quality of our model and the absence of collinearity problems of independent variables.

**Table 3:** Correlations

| | ROA | ROE | PBR | Opprmar | Costgs | Fsales | Sales | FSales- | N |
|---|---|---|---|---|---|---|---|---|---|
| ROA | 1.0000 | | | | | | | | |
| ROE | 0.6163 | 1.0000 | | | | | | | |
| PBR | 0.3094 | 0.2380 | 1.0000 | | | | | | |
| Opprmar | 0.6514 | 0.3733 | 0.1734 | 1.0000 | | | | | |
| Costgs | 0.1053 | 0.1050 | 0.0419 | 0.0001 | 1.0000 | | | | |
| FSales | 0.2443 | 0.2908 | 0.1790 | 0.1966 | 0.3160 | 1.0000 | | | |
| Sales | 0.2710 | 0.3044 | 0.1790 | 0.2635 | 0.3412 | 0.7607 | 1.0000 | | |
| FSales_sal | -0.0802 | -0.0302 | -0.0316 | -0.0854 | -0.0033 | 0.0096 | -0.0057 | 1.0000 | |
| N | 0.1396 | 0.2097 | 0.1588 | 0.0937 | 0.3680 | 0.4955 | 0.6335 | 0.0050 | 1.000 |

**Table 4:** Study of normality and stationarity on market performance

| Variables | Statistics | Strategic Partnership |
|---|---|---|
| **AR** | Mean | 0.019 |
| | Std. dev. | 2.522 |
| | Skewness | -2.149 |
| | Kurtosis | 36.890 |
| | JB | 74485.68 |
| | ADF | S |
| **AAR** | Mean | -0.026 |
| | Std. dev. | 0.773 |
| | Skewness | 0.221 |
| | Kurtosis | 5.548 |
| | JB | 1672.925 |
| | ADF | S |
| **CAR** | Mean | -0.133 |
| | Std. dev. | 8.838 |
| | Skewness | -0.628 |
| | Kurtosis | 2.650 |
| | JB | 464.631 |
| | ADF | S |
| **ACAR** | Mean | -0.601 |
| | Std. dev. | 9.219 |
| | Skewness | 0.082 |
| | Kurtosis | 0.943 |
| | JB | 49.559 |
| | ADF | S |

Our results, variables for measuring the creation of market value, reported in the above table (Table 4) show that the time series of abnormal returns have a negative skewness in the case of strategic partnerships. This result proves that the lower average yields are more frequent. In our case the AR of SP has a kurtosis equal to 36.890 and Skewness equal to 2149. But we have the same result, a negative skewness CAR. Unlike AAR and the ACAR that have a positive skewness.

Our results show also that the flattening coefficient (kurtosis) is smaller than in the case of three strategic partnerships. Platicurticité This means that the distribution of the series of abnormal returns has a thinner tail than normal distribution.

In summary, from the results of Jarque Bera (1980), we find a negative impact of the announcement of a strategic partnership. These results will be logically confirmed with the study of the *Student* test below.

The results of the stationarity test of Dickey Fuller Augmented (ADF), shows that our return series, AR, AAM, CAR, ACAR are stationary (S) for each variable in the following Table.

**Table 5:** Study of normality and stationarity on the actual performance

| Variables | Statistics | Strategic Partnership |
|---|---|---|
| **ROA** | Mean | 4.301 |
| | Std. dev. | 4.773 |
| | Skewness | -0.228 |
| | Kurtosis | 4.082 |
| | JB | 236.241 |
| | ADF | S |
| **ROE** | Mean | 9.698 |
| | Std. dev. | 23.949 |
| | Skewness | -7.337 |
| | Kurtosis | 78.302 |
| | JB | 88852.359 |
| | ADF | S |
| **PBR** | Mean | 1.449 |
| | Std. dev. | 1.703 |
| | Skewness | 6.083 |
| | Kurtosis | 54.980 |
| | JB | 44392.262 |
| | ADF | S |
| **OpPrMar** | Mean | 8.743 |
| | Std. dev. | 6.296 |
| | Skewness | 0.328 |
| | Kurtosis | 1.213 |
| | JB | 26.678 |
| | ADF | S |
| **COSTGS** | Mean | 5.756 |
| | Std. dev. | 32.265 |
| | Skewness | 12.014 |
| | Kurtosis | 184.016 |
| | JB | 417578.459 |
| | ADF | S |

| | | |
|---|---|---|
| **FSALES** | Mean<br>Std. dev.<br>Skewness<br>Kurtosis<br>JB<br>ADF | 5.332<br>22.850<br>-0.295<br>5.854<br>437.065<br>S |
| **SALES** | Mean<br>Std. dev.<br>Skewness<br>Kurtosis<br>JB<br>ADF | 4.091<br>13.789<br>-0.757<br>7.122<br>742.311<br>S |
| **FSALES-SALES** | Mean<br>Std. dev.<br>Skewness<br>Kurtosis<br>JB<br>ADF | 1.962<br>28.025<br>13.047<br>215.405<br>576734.41<br>S |
| **N** | Mean<br>Std. dev.<br>Skewness<br>Kurtosis<br>JB<br>ADF | 2.820<br>17.589<br>-4.416<br>66.531<br>63062.086<br>S |

Our results, variables for measuring the creation of real value reported in the table above (Table 5) show that the time series of annual returns have negative skewness for both variables ROA and ROE to explain. But we find a positive skewness for the dependent variable PBR.

For the explanatory variables, we observe a negative skewness for the explanatory variables, SALES, FSALES and N, except for OPPRMAG COSTGS and where we see positive skewness.

Concerning stationarity test of Dickey Fuller (ADF) on strategic partnerships, we find that all variables, either to explain or explanatory are stationary (S) for each variable in Table 5.

In summary, from the results of (Jarque Bera, 1980), we find mixed results. These findings will also be confirmed with the study of regression below.

### 2.2.2. Student tests

The possible significance of AR, AAR and ACAR according to tests performed and measured by standard tests (1%, 5% and 10%).

The objective of this test is to measure the impact of strategic alliances and effects of mergers and acquisitions on the market performance of French concerned companies.

**Table 6:** AR, CAR, AAR, and ACAR on ads strategic partnerships (PS)

| **Days (j)** | **AR (%)** | **CAR (%)** | **TEST T (AR)** | **AAR (%)** | **TEST T (AAR)** | **ACAR (%)** | **TEST T (ACAR)** |
|---|---|---|---|---|---|---|---|
| -5 | .0601931 | .0582295 | .2850749 | .116459 | .1805525 | .1144954 | .2672494 |
| -4 | -.0616915 | .0182558 | .1383906 | .0547675 | -.1630754 | .1327513 | .2594624 |
| -3 | -.7215893 | -.1667054 | -1.132249 | -.6668218 | -1.796621 | -.0339542 | -.0581251 |
| -2 | .0580746 | -.1217494 | -1.070238 | -.6087472 | .1730509 | -.1557036 | -.2419179 |
| -1 | **-.5786754** | **-.1979038** | -1.705535 | **-1.187423** | -1.496962 | -.3536074 | -.4933199 |
| 0 | **.452451** | **-.104996** | -.8965339 | **-.7349716** | 1.130403 | -.4586033 | -.5714083 |
| 1 | **-.3353783** | **-.1337938** | -1.228098 | **-1.07035** | -1.08328 | -.5923971 | -.6694549 |
| 2 | **.3420577** | **-.0809214** | -.7899211 | **-.7282922** | .7950878 | -.6733185 | -.7045912 |
| 3 | **.5487469** | **-.0179545** | -.1885502 | **-.1795453** | **1.653899*** | -.691273 | -.6755386 |
| 4 | **.0425398** | **-.0124551** | -.1410752 | **-.1370055** | .1331324 | -.703728 | -.647401 |
| 5 | -.5374336 | -.0562033 | -.6118272 | -.6744391 | -1.633564 | -.7599313 | -.6578853 |
| 6 | .0322036 | -.0494027 | -.5687747 | -.6422355 | .1150106 | -.809334 | -.6641843 |
| 7 | .5612679 | -.0057834 | -.0683457 | **-.0809677** | **1.992271*** | -.8151174 | -.6375855 |
| 8 | -.2949542 | -.0250615 | -.2768484 | -.3759218 | -.3592318 | -.8401788 | -.6274576 |
| 9 | .1427862 | -.014571 | -.1638355 | -.2331356 | .4740328 | -.8547497 | -.6115652 |
| 10 | .1502961 | -.0048729 | -.0542289 | -.0828395 | .6455482 | -.8596226 | -.5887003 |
| 11 | .3332254 | .0139103 | .1705383 | .2503858 | .9535367 | -.8457122 | -.5565771 |
| 12 | .1545414 | .021312 | .2769374 | .4049273 | .6373369 | -.8244003 | -.5229534 |
| 13 | -.248061 | .0078433 | .1002955 | .1568663 | -.8954688 | -.816557 | -.4984786 |
| 14 | -.1423991 | .0006889 | .0090371 | .0144672 | -.3505415 | -.815868 | -.4807289 |
| 15 | -.0475303 | -.0015029 | -.0193567 | -.0330629 | -.1689149 | -.8173708 | -.4648626 |
| 16 | .0823157 | .0021414 | .026367 | .0492528 | .2490563 | -.8152294 | -.4481397 |
| 17 | .3844216 | .0180698 | .2466611 | .4336744 | .9874286 | -.7971596 | -.4251653 |
| 18 | .3829418 | .0326646 | .4710311 | .8166162 | 1.270825 | -.7644949 | -.3971072 |
| 19 | .1519085 | .0372509 | .5319845 | .9685246 | .4293601 | -.7272439 | -.3674848 |
| 20 | -.4506675 | .0191799 | .266479 | .517857 | -1.326625 | -.708064 | -.347745 |

**Figure 1: AAC[5] and ACAR[6] on ads strategic partnerships (PS)**

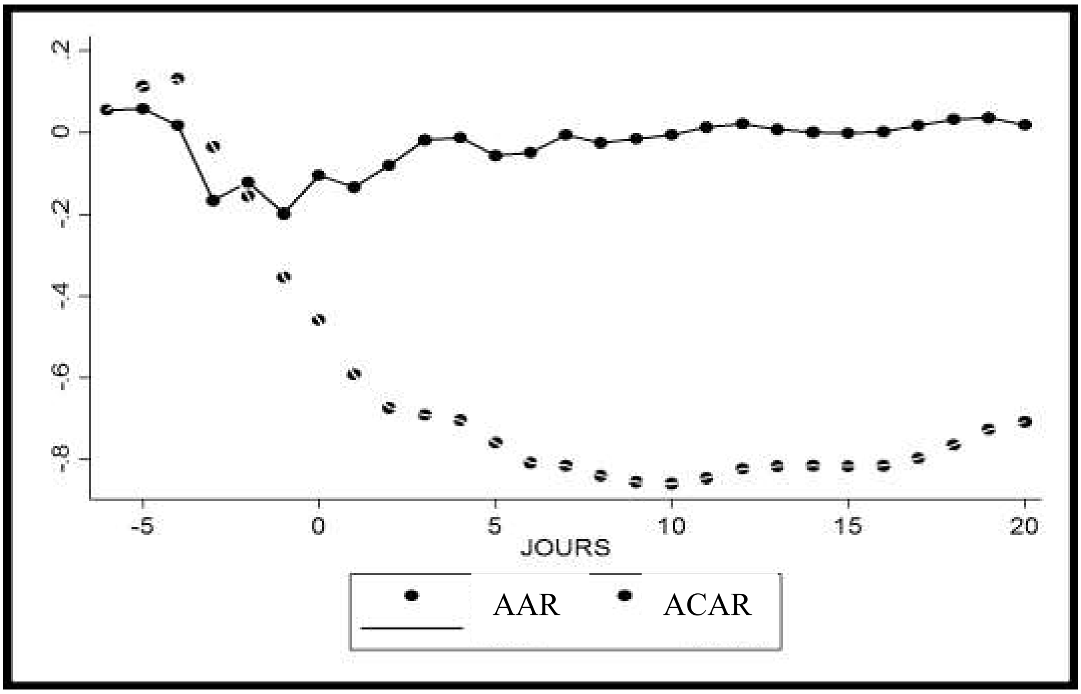
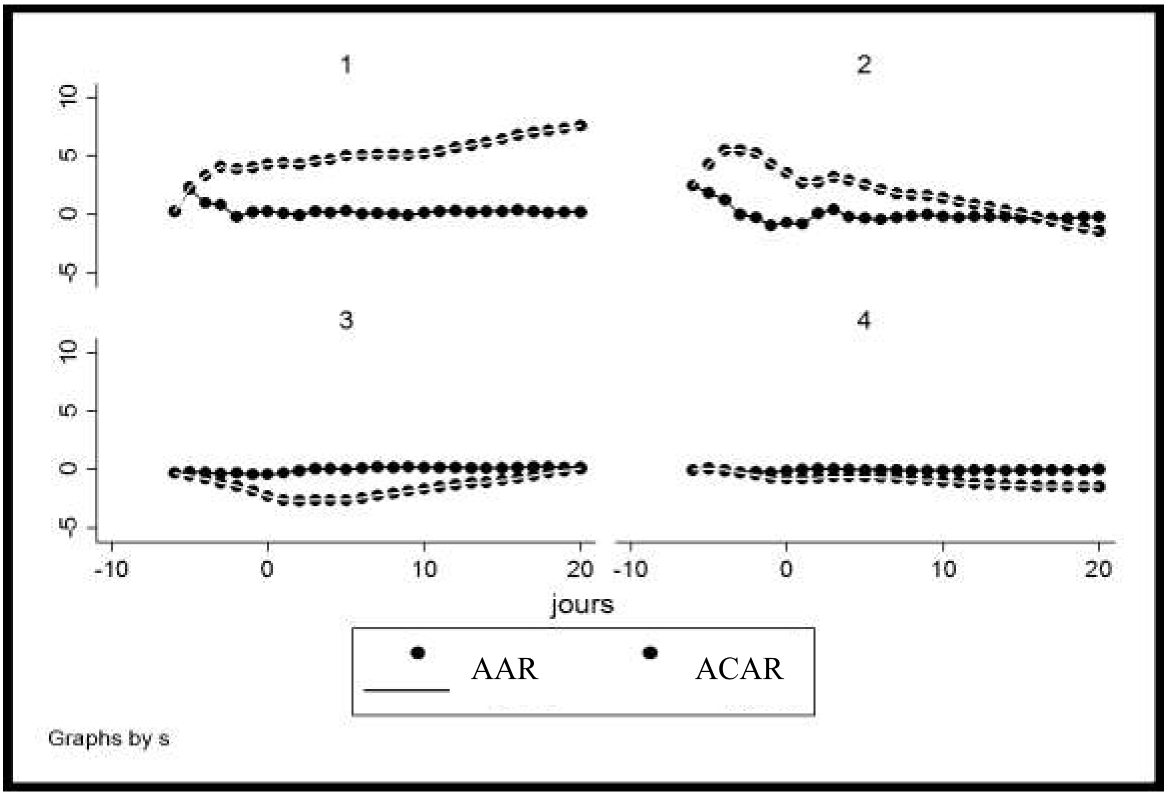
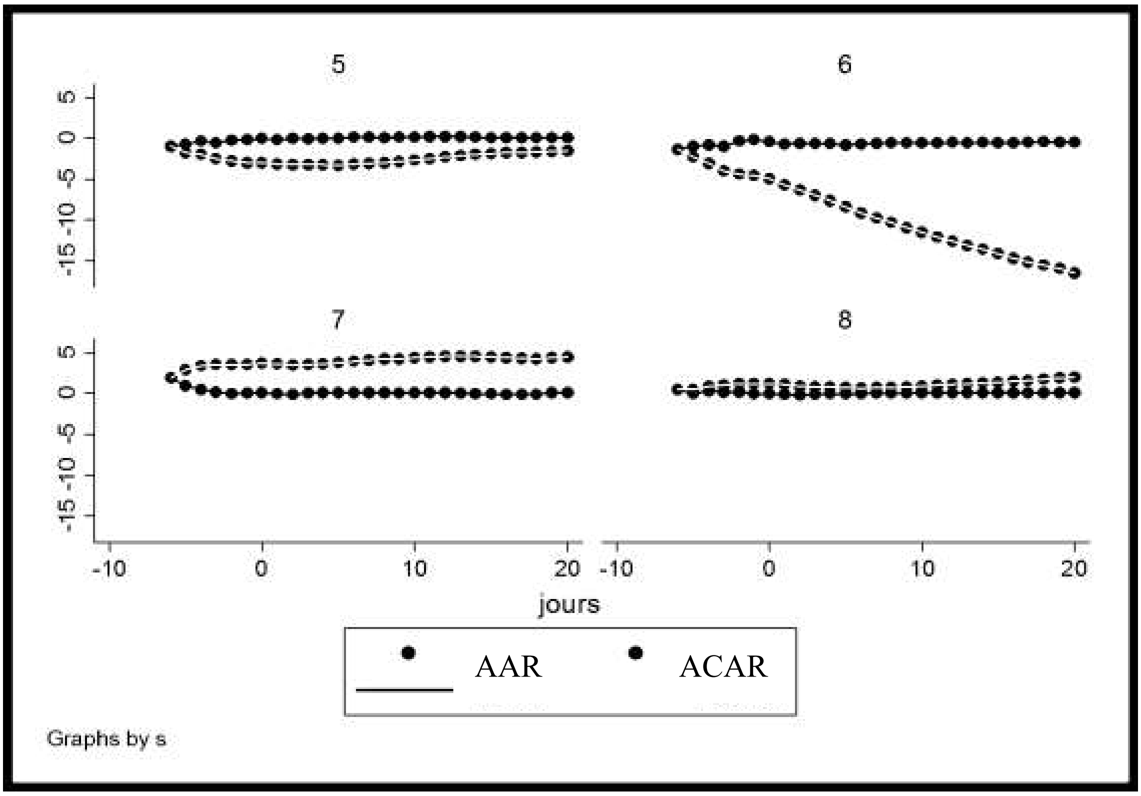



**Figure 2: AAR and ACAR on ads strategic partnerships (PS) by sectors (s)**




[5] AAC in the Figure 1 and Figure 2 is RAM in French

[6] ACAR in the Figure 1 and Figure 2 is RAMC in French




The announcements of strategic partnerships in general, the analysis of the AAR shows a significant and negative impact on the third and seventh day after the announcement (-0.197 and -0.080, respectively), but actually the reactions are positive, since the AAR increases. Throughout the event window, we note that the average abnormal returns (AAR) down to -5 j = j = -1, with j = 0, a positive market reaction is noted (the passage of RA -0.57 to 0.45 between j = -1 and j = 0). From j = 0 to j = 7, we notice positive reactions in general. Then, we notice some positive reactions, sometimes negative.

If a negative impact on stock prices is associated with strategic partnerships, it seems that this is the form of partnership it himself that his announcement is the consequent of the market reaction.

Anticipating the stock market annones of strategic partnerships is indeed on seeing the results of our research. A significant negative impact is recorded days (03) days after the announcement, and average abnormal returns (AAR) increases.

Referring to the research of (Saci, 2013) and (Hubler and Meschi, 2000) and the conclusion of our results, we can say that the information on the outcome of strategic partnerships managed gradually to large financial players part before the actual announcement to the public by the press. And therefore the information is already taken by financial actors to calculate stock prices and this is why we see just a single positive market reaction on the day (j = 3) (0.548%) for AR contrary to the results of mergers and acquisitions, we find average abnormal returns are generally positive.

We have kept the advice of (Hubler and Meschi, 2000) on the enlargement of the event window to see if average cumulative abnormal returns continue to be degraded, and noting that (Hubler and Meschi, 2000) chose an event window [j – 10, j +10].

For this, we chose to expand our event window to j+20 after the announcement of the event to see the evolution of the average cumulative abnormal returns. We find that the average cumulative abnormal returns (ACAR) are read in less stable.

After analyzing our results by sector of activity, we find positive reactions to Sector 1 and 7, respectively automotive and tourism sector.

### 2.2.3. Regression tests

**Table 7:** Results of regressions PS (before the strategic partnership)

| $PF_{it} = ß_0 + ß_1 * APPS + ß_2 * OpPrMargin + ß_3 * CostGS + ß_4 * Fsales + ß_5 * Sales + ß_6 Fsales\_Sales + ß_7 NPART + ß_8 N + ß_9 S + ε.$ | | | | | | |
|---|---|---|---|---|---|---|
| | ROA | | ROE | | PBR | |
| | **Coeff** | **P- value** | **Coeff** | **P- value** | **Coeff** | **P- value** |
| OpPrMargi | .6431136 | **0.000*** ** | 2.103043 | **0.000*** ** | .1977354 | **0.001*** ** |
| CostGS | .0351271 | **0.001*** ** | .1138987 | **0.004*** ** | .0089347 | **0.079*** |
| Fsales | .0028346 | 0.904 | -.0126309 | 0.884 | -.0049775 | 0.664 |
| Sales | -.1317093 | **0.009*** ** | -.2774761 | 0.130 | -.0783795 | **0.002*** ** |
| Fsales_Sale | .0189309 | 0.383 | .0543708 | 0.495 | .0061488 | 0.561 |
| N | .0352519 | 0.245 | .0395938 | 0.721 | .0083583 | 0.571 |

**Table 8:** Results of regressions PS (after the strategic partnership)

| $PF_{it} = ß_0 + ß_1 * APSP + ß_2 * OpPrMargin + ß_3 * CostGS + ß_4 * Fsales + ß_5 * Sales + ß_6 Fsales\_Sales + ß_7 NPART + ß_8 N + ß_9 S + ε.$ | | | | | | |
|---|---|---|---|---|---|---|
| | ROA | | ROE | | PBR | |
| | **Coeff** | **P- value** | **Coeff** | **P- value** | **Coeff** | **P- value** |
| OpPrMargin | .7976695 | **0.000*** ** | 2.350536 | **0.001*** ** | .0178243 | 0.202 |
| CostGS | .0890309 | **0.041 ** ** | .5488935 | 0.172 | -.0064289 | 0.406 |
| Fsales | -.0216294 | 0.152 | -.148948 | 0.286 | .0034776 | 0.198 |
| Sales | -.0804934 | **0.105*** | -.3245798 | 0.479 | .0005398 | 0.951 |
| Fsales_Sales | -.0047397 | 0.451 | -.0095313 | 0.870 | .000214 | 0.849 |
| N | -.0204002 | 0.142 | -.0681197 | 0.595 | .0008943 | 0.718 |

In case in which the company enters into a strategic partnership, reading linear regressions before and after the strategic partnership shows that there are some effects more or less significant after the partnership by making a comparison between the two tables of regressions before and after the strategic partnership.

We find for the dependent variable ROA, a significant positive impact for OpPrMargin, CostGS and Sales with significance levels respectively 1%, 5% and 10%.

Another significant positive impact for the predictor variable OpPrMargin to explain ROE (coefficient = 2.350) for a significance level of 1.

Finally, for the dependent variable PBR, we are not seeing any impact of the explanatory variables.

# 3. Analysis of the results (Student's t test and estimation of panel data)

## 3.1. In the short term

Negative impact of a strategic partnership on market performance. We note that our results on the market performance of strategic partnerships are consistent with those of (Saci, 2013) and (Hubled and Meschi, 2000) on the stock market performance of strategic alliances.

## 3.2. In the long term

Strategic partnerships (SP) have no impact on creating real financial value of the company. Compared to our assumptions, we reject the hypothesis suggesting the existence of a positive relationship between the conclusion of the Strategic partnership and the creation of financial value, because we have only H2 is validated.

# 4. Discussion

## 4.1. Discussion of results on the creation of market value

Our results, in which market quotations are used to measure short-term performance, suggest throughout that the financial markets seem to be indifferent to announcements of strategic partnerships. However, in large part, mergers and acquisitions are seen as good news by the financial actors (Saci, 2013) and (Hubler & Meschi, 2000).

Strategic partnerships are not seen as good news in general if we refer to the logic of (Hubler and Meschi, 2000).

However, when we analyzed our results by sector, we found that for the automotive sector (1), the impact of the announcements on the SP market value is positive and significant. The same results are observed, but with less importance in the aerospace and transportation sectors (3) tourism (7) and the distribution and industry sector (8).

Which is difficult to explain without further details. (Koh and Venkataraman, 1991) have observed weak positive market reactions (but not statistically significant) to the announcement of strategic alliances, but provided no explanation for this observation, and it may also be due to the business. Similarly, (Das and Seng, 1988) in their work "Impact of Strategic Alliances on firm valuation", have found a positive impact on the technological alliances ads, while marketing alliances are seen as neither good, nor bad.

## 4.2. Discussion of results on the creation of real value

The comparative reading of the theoretical literature and the empirical one shows that strategic partnerships are practices that can generate both positive and negative effects. This observation led us to assume that the combined effect of the alignment of interests and inefficiencies own strategic partnerships is likely to create a net neutral effect on creating financial value of the company.

Through empirical studies cited below concerning external growth strategies, including strategic alliances and mergers and acquisitions, we find notice in one hand, the impact of strategic partnerships on creating financial value is neutral on the other hand, the results of (Saci, 2013) and that of (Yook, 2004), who has worked on the development of the EVA after the acquisitions operations indicate that the improved operating performance is ruined by the costs capital of large premiums paid to the target company, and therefore, acquisitions do not create real economic gains for shareholders of the acquiring company.

We stipulate that strategic partnerships create financial value, but it is destroyed in part by the costs incurred by them as well as other negative effects (Yook, 2004).

In conclusion, the absence of the impact of the strategic partnership (SP) on financial performance can be explained as follows:

- The impact of strategic partnership (SP) may be combined to give a total net neutral effect on performance;

- The negative effects absorb the potential gains from strategic partnership (SP) (creating compensatory value);
- As we integrated the different costs, we can explain this neutrality of the performance by what may call the creation of compensatory value: companies anticipate a decrease in their income (due to the loss of a contract for example) will result in lower revenues or a possible new charge and to compensate for these losses, the companies are opting for strategic alliances and mergers and acquisitions (financial and strategic intent);
- Intentions to use strategic partnerships (SP) are ultimately intentions other than financial intentions, as our results show that the creation of financial value is minimal, or even neutral (financial intent minima).

## Conclusion

The analysis of the problem of measuring the financial value creation through strategic partnerships (SP) remains a field of study rarely treated in a French context, including the extent of creating long-term value. This finding is one of the main interests that motivated this research whose objective was to contribute to a better understanding of the financial value creation of strategic partnerships (PS) of French listed companies.

*The contributions of our research*: On the theoretical contributions. We have conducted a study on the actual performance of strategic partnerships (PS); we proposed a research model with new variables and finally a theoretical framework with four streams. In terms of methodological contributions: We conducted a study on two different periods and with an econometric approach based on two types of tests.

*Search terms*: sample and limited period of study; unavailability of details of the financial statements and the absence of moderating variables.

Research perspectives:

- A study with other variables to explain and more explanatory variables (out, R & D costs, longevity, patents, etc..) to refine the analysis of the financial impact;
- A two-dimensional study taking into account the two levels of analysis within a single empirical study (complete our study with interviews with managers of the companies in our sample);
- A study to ascertain possible causal relationship between a strategic partnership (SP) and the creation of financial value realized (effect on sequence comparisons).

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